



February 12, 2019
45 Calvert Street Conference Room 164 A/B, Annapolis
9:00am - 11:00am
Minutes

Subcabinet Members:

Kelly M. Schulz, Secretary, Department of Commerce, Chair
Ken Holt, Secretary, Maryland Department of Housing and Community Development (DHCD)
Jim Rzepkowski, Acting Secretary, Department of Labor, Licensing and Regulation (DLLR)
Ben Grumbles, Secretary, Department of Environment (MDE)
Earl Lewis for Pete Rahn, Secretary, Department of Transportation (MDOT)
Robert McCord, Secretary, Department of Planning
Jimmy Rhee, Special Secretary, Governor's Office of Small, Minority, and Women Business Affairs (GOSBA)

Guests:

Jim Fielder, Secretary, Maryland Higher Education Commission (MHEC)
Michael Higgs, Director of Assessments and Taxation (SDAT)
Wendi Peters, Special Secretary, Smart Growth
Meredith Winbrow, Office of the Governor
Ben Wu, Deputy Secretary and COO, Department of Commerce
Mike Morello, Governor's Office of Performance Improvement (GOPI)
Horacio Tablada, Deputy Secretary, MDE
Tony Reed, Deputy Secretary, DHCD
Corbett Webb, SDAT
Mike Pantelides, DLLR Office of Small Business Regulatory Assistance (OSBRA)
Jan Walker-Emeogo, DLLR, OSBRA
Ann Marie Gunning, DLLR
Julie Woepke, Department of Commerce
Andrea Salizzoni, Department of Commerce
Kris Shock, Department of Commerce
Jayson Knott, Department of Commerce
Kyle McColgan, Department of Commerce
Paul Beatty, Department of Commerce
Julie Miller, Department of Commerce
Signe Pringle, Department of Commerce

I. Call to Order

Commerce Secretary Schulz called the meeting to order at 9:15am.

II. Welcome

Secretary Schulz welcomed Subcabinet members and guests. She expressed excitement in leading future collaborations of the State Agencies to enhance and support Maryland businesses.

III. Review and approval of December 11, 2018 Minutes

Upon motion duly made and seconded, the minutes of the December 11, 2018 meeting were approved.

IV. Chair Update

Secretary Schulz began her presentation by discussing the transition within Commerce and key personnel changes since the December meeting. She reported Secretary Gill returned to private sector as did Greg Derwart, thus the Customer Service Subcommittee will be led by Mike Pantelides of DLLR. She introduced Kyle McColgan and Paul Beatty from the Governor and Lt. Governor's offices respectively who have taken roles within Commerce. She added that Signe Pringle, the Managing Director of the Office of International Investment and Trade, is serving as interim Director of the Office of Business Industry Sector Development.

Secretary Schulz then moved on to briefly discuss the formation of the new Small Business Workgroup as discussed at the December meeting. She explained that Corbett Webb of SDAT will take the lead of this Workgroup and that a memo with initial recommendations was distributed. She then reported that the Regional Resources Workgroup has been formed with Pat Keller of MDP taking the lead. This Workgroup kick-off meeting will be held on March 18, 2019. The Workgroup will focus on interagency collaborations, shared resources, and support on a regional basis and reporting to the Subcabinet at its meetings.

V. 2019 Legislative Priority Update

Secretary Schulz presented an overview of the Department of Commerce legislative initiatives noting that it has been named the Session of Opportunity. She discussed three (3) Administration initiatives in support of businesses and two (2) Departmental bills to extend the sunset dates of tax credit programs. Acting Secretary Rzepkowski updated the Subcabinet on DLLR's 12 legislative initiatives which include two (2) Agency Administrative – including Agency name change to Labor, three (3) Occupational and Professional Licensing, one (1) Labor and Industry and six (6) Financial Regulation Bills. SDAT Director Michael Higgs reported on four (4) Bills that would eliminate fees, streamline recordation process, expedite document processing, and improve communication between the Department and customers. (Agency presentations on file.)

MDE Secretary Ben Grumbles explained the Department is taking a defensive policy strategy rather than explicitly taking action in an effort to prevent negative consequences. He referenced that the proposed bill to ban Styrofoam will receive debate. He stated the Department is focused on energy and climate change and is working closely with the Department of Natural Resources and Commerce on the 40 by 30 Plan that will have a net positive impact in jobs.

MDOT Deputy Secretary Earl Lewis provided an update on the Traffic Relief Plan, and the Public Private Partnership legislation that could have significant impact on the I-270/495 Project. He discussed the legislation to allow a fully digital driver's license, collection of tolls from out-of-state drivers and electric vehicle tax credits. DHCD Secretary Ken Holt discussed a bill that is proposed to expand the area of an opportunity zone noting that the zone webpage is receiving 300 views per day. GOSBA Special Secretary Jimmy Rhee reported on the implementation of SB 414 from the 2018 Session which will result in a report of all State Agency small business resources to be completed by June, 2019. He also mentioned a Veteran Procurement Bill.

MDP Secretary Robert McCord discussed legislation to implement a central repository of land use plans, a bill related to Maryland Heritage and one that removes target investment zones. MHEC Secretary Jim Fielder reported that the Commission has five (5) legislative initiatives including the change in deductible

from \$2,500 to \$5,000 for 529 College Savings Plan, scholarships for 2 year institutions, student loan reduction, and Pathways in Technology Early College High School (P-TECH) Program.

VI. Subcabinet Workgroups

a. Customer Service

Mike Pantelides, Executive Director, Office of Small Business Regulatory Assistance, DLLR and Mike Morello, Director, Governor's Office of Performance Improvement presented an update. They reported on Customer Service metrics, 2019 Customer Service Liaison kick-off meeting, the addition of the Governor's office of Executive Services to the Liaisons and the evaluation of software for experience management that could lead to different Agency practices (Presentation on file.)

b. Workforce

Mike Pantelides, Executive Director, Office of Small Business Regulatory Assistance, DLLR reported that the Subcabinet's discussion of including the Workforce Expressway on all State government agency websites is still under consideration. Ms. Ann Marie Gunning, Manager, Office of Workforce, DLLR was introduced as the new lead for this Workgroup.

c. Job Creators

Deputy Secretary Ben Wu, Department of Commerce reported that job creator economic development projects will be revisited with input from local jurisdictions. Those projects within opportunity or Regional Institution Strategic Enterprise (RISE) zones will be noted. Secretary Schulz added that after the Legislative Session, she will be conducting an economic development tour to each county and that this list will be useful in the discussion with local officials.

d. Small Business

Corbett Webb, Chief of Staff, SDAT reported the goal of this Workgroup is to improve the organization of small business resources throughout the state. He indicated the Maryland Business Express website will be evaluated to make it more accessible. Mr. Webb explained short term and long term deliverables, emphasizing the initial steps to improve communications among agencies. (Presentation and Memo on file.)

e. Regional Resources Workgroup

Secretary Schulz reported that this Workgroup will be led by Assistant Secretary for Planning Services Pat Keller, MDP. The kick-off meeting will be held March 18, 2019. She stated the attendee list is being compiled and requests the support and participation of all Agencies. The Agenda is being developed which will include an exercise to connect the individuals to their regions, contacts and resources. Secretary Schulz added a recommendation that the Department of Natural Resources be included in the Workgroup and the Commerce Subcabinet. The recommendation was supported by the Subcabinet.

VII. Business Development Activity

Jayson Knott, Senior Director, Business Development, provided an overview of new and retained jobs since the Subcabinet's December meeting. He reported on recent wins including Best Buy, Williams Scotsman and Floor & Décor – which will be the largest building in the state. He cited new opportunities and significant confidential open opportunities and those pending announcements. Mr. Knott responded to questions of the Subcabinet on business attraction and issues that may impact location decisions such as lack of land and land costs. (Presentation on file.)

VIII. Good of the Order

Subcabinet members discussed the Fight for \$15 minimum wage legislation, and the Climate Leadership Conference scheduled in March. MDE will provide information on the Conference for distribution.

IX. Adjournment

There being no further discussion and upon motion duly made and seconded, the meeting was adjourned at 11:07am.